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RUEHSG/AMEMBASSY SANTIAGO PRIORITY 5925
RUEHRG/AMCONSUL RECIFE PRIORITY 5863
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 3339
RUEHSO/AMCONSUL SAO PAULO PRIORITY 8619
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C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 002411

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SUBJECT: BRAZIL: AMBASSADOR'S MEETING WITH SENATOR JOSE
SARNEY

Classified By: ACTING DEPUTY CHIEF OF MISSION DENNIS HEARNE. REASONS: 1
.4 (B)(D).

11. (C) Summary. Ambassador and A/DCM met on 13 November with Senator Jose Sarney -- Brazil's first civilian president following the military regime, senior senator, PMDB party leader and elder statesman. Sarney was accompanied by Banco Safra President Carlos Alberto Viera and Sarney's diplomatic advisor. Over a friendly lunch at Sarney's residence, Ambassador and Sarney discussed prospects for governance in Brazil in Lula's second term, bilateral relations, and Venezuela. Sarney was especially adamant in voicing his perception of Venezuela as a growing threat to Brazilian interests. End summary.

Governance in Lula's Second Term

12. (C) Sarney said the outlook for effective governance in Lula's second mandate is stormy. The political environment in the wake of the campaign and a year of scandals and exchanges of charges is "very bitter," making construction of bridges to opponents a challenge. As one of the senior leaders in the pro-Lula wing of the large but fragmented PMDB party that will be central to Lula's coalition, Sarney opined Lula will try to reach out to the opposition, "as a good-will gesture," to seek consensus on vital issues. But Sarney said that he (and also Lula) are skeptical about the chances for success, given the opposition's force in the Senate especially. Lula will also try to leverage governors, many of whom are with him and all of whom need good relations with the federal government. Beyond the poisoned atmosphere, Brazil's basic problem is that it has a dysfunctional party system that is creating gridlock, Sarney opined. Since party ideology and discipline are almost non-existent, passage of legislation becomes chaotic and often stalls. To fill the vacuum, for many years Brazilian presidents have used "provisional measures" (Medidas Provisorias), which are executive orders that have the force of law for supposedly temporary periods, but which are often extended indefinitely. This creates governance by executive fiat, rather than legislation. It is "an exhausted system," Sarney said, and there is growing unanimity -- in which Sarney and Lula share

-- that broad political reform has become a critical priority for Brazil.

Bilateral relations

¶3. (C) Ambassador asked Sarney for his views on strengthening bilateral relations. Sarney replied the U.S. and Brazil should do everything possible to flesh out bilateral relations with more person-to-person and congressional engagement, "not leaving matters just to the executive branch." Sarney opined that personal relations are key, and that he feared that a waning of those contacts had occurred since Sarney entered public life, leaving U.S.-Brazil relations "in the hands of institutions, not people." Ambassador noted concern that, while there is interest among many in both countries in improving relations and there is little anti-Americanism in Brazil, doubts existed in Washington about the anti-U.S. bias among some senior foreign ministry officials. Ambassador noted the recent public comments by Foreign Ministry Secretary General Pinheiro Guimaraes that Brazil could eventually withdraw from the Nuclear Non-Proliferation Treaty. Sarney dismissed Guimaraes' remarks, calling him "a madman, a prominent one, but a madman." Sarney also opined that anti-Americanism does not exist on any substantial level in Brazil's public, and that Brazil's emergence from international indebtedness and assertion of itself in foreign policy had taken away some of the banners of Brazil's traditional anti-American left.

Venezuela

¶4. (C) Asked by the Ambassador about Venezuela, Sarney was

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blunt and vehement, presenting Chavez as a growing and direct threat to Brazilian interests. He said Chavez's arms build-up (Sarney used a figure of 60 billion dollars over 12 years, NFI) would eventually force Brazil into spending money on weapons -- money it needs for other priorities -- or seeking a protective strategic alliance with a major power (by implication, with us) or other regional partners. Sarney noted that NATO is emerging as a valuable international response force, and had allowed European governments to pool defense resources, since almost no country (except the U.S.) could sustain the cost of modern warfare. Sarney said Chavez could not seriously be considering arming for a conflict with the U.S., so the question had to be asked, against whom are all of his new weapons directed? Ambassador agreed with Sarney's analysis, and in that context, expressed his dismay that he had heard more official GOB criticism of the USG decision to not support sale of Embraer Super Tucanos to Chavez than of Chavez's armaments-buying spree.

¶5. (C) Comment. Sarney's vociferous views on Chavez are remarkable. Although his political origins are on the right, and he is often personally and politically friendly toward the U.S., Sarney is also a Brazilian nationalist and sensitive to Brazil's independence. For Sarney to speak in such adamant terms of Chavez as a real menace to Brazil, one who may need to be countered with new strategic thinking, is a powerful indication of broad and spreading concern in Brazil's political class.

Sobel